

Message Text

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ORIGIN ARA-14

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DRAFTED BY ARA:FRONDON:AES

APPROVED BY T:JNYE

ACDA:CVANDOREN

PM:GOPLINGER

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FM SECSTATE WASHDC

TO AMEMBASSY VIENNA IMMEDIATE

AMEMBASSY BUENOS AIRES IMMEDIATE

S E C R E T STATE 043251

VIENNA FOR AMBASSADOR SMITH

E.O. 11652: GDS

TAGS: PARM

SUBJECT: US-ARGENTINE NUCLEAR RELATIONS REVIEWED WITH
CNEA PRESIDENT CASTRO MADERO

1. THE PRESIDENT OF THE ARGENTINE ATOMIC ENERGY
COMMISSION, ADMIRAL CASTRO MADERO, CALLED ON DR. JOSEPH
NYE ON FEBRUARY 17. MR. VAN DOREN OF ACDA, MR. OPLINGER
OF PM AND MR. RONDON OF ARA WERE ALSO PRESENT. PRINCIPAL
TOPICS OF CONVERSATION WERE RATIFICATION OF TREATY OF
TLATELOLCO, ACCEPTANCE OF FULL-SCOPE SAFEGUARDS, PRE-
CONDITIONS FOR THE PROVISION OF HEAVY WATER AND HEAVY
WATER TECHNOLOGY, FUEL FOR RA-3 AND PERU/ARGENTINE
NUCLEAR COOPERATION.

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2. QUADRIPARTITE AGREEMENT. CASTRO MADERO MENTIONED
THAT AMBASSADOR SMITH'S REPLY TO HIS TELEGRAM HAD PUT
HIS MIND AT REST BECAUSE ARGENTINA WANTS TO MEET ITS
COMMITMENT TO PERU. DR. NYE EXPRESSED HIS PLEASURE
THAT THE VIENNA NEGOTIATION OF A QUADRIPARTITE AGREEMENT
FOR THE PROVISION OF A ZERO POWER REACTOR TO PERU IS

NOW GOING VERY WELL.

3. 10 MW REACTOR FOR PERU. IN RESPONSE TO DR. NYE'S QUESTION ABOUT THE ENRICHMENT LEVEL OF THE 10 MW REACTOR TO BE SUPPLIED TO PERU, CASTRO MADERO STATED THAT ARGENTINA DID NOT KNOW HOW TO DESIGN REACTORS WHICH USE 20 FUEL. NYE SAID THAT WE COULD ASSIST ARGENTINA WITH HIGH DENSITY FUELS, WHICH REQUIRE A LOWER ENRICHMENT LEVEL. THE ADMIRAL ACKNOWLEDGED THAT HE KNOWS THAT US CONSIDERS 10 MW REACTOR TO BE A NEW PROJECT AND THEREFORE NOT ELIGIBLE FOR 90 FUEL. HE OBSERVED THAT THE CONTRACT FOR THE 10 MW REACTOR WAS STALLED BECAUSE OF DIFFERENCES WITH PERU OVER ITS FINANCING. ONCE THE CONTRACT IS SIGNED, THE 10 MW REACTOR IS TO BE DELIVERED IN 42 MONTHS. CASTRO MENTIONED THE POSSIBILITY OF SPANISH ASSISTANCE TO ARGENTINA IN THIS PROJECT BUT DID NOT SPECIFY WHAT HE MEANT. MR. OPLINGER ENCOURAGED CONTACT BETWEEN ARGENTINA AND ARGONNE NATIONAL LABORATORIES, WHICH IS WORKING ON HIGH DENSITY FUEL. CASTRO MADERO WAS CONCERNED THAT THE ARGONNE FUEL MIGHT NOT BE READY IN TIME (WHICH HE DEFINED AS 2-1/2 YRS). CASTRO EXPRESSED AN INTEREST IN CONTACT WITH ARGONNE, AND MR. VAN DOREN PROMISED TO FOLLOW UP ON THIS MATTER.

4. RA 3 REACTOR. CASTRO REGRETTED THAT HE WAS UNABLE
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TO RETURN THE QUESTIONNAIRE ON THE TECHNICAL JUSTIFICATION FOR HEU FUEL IN THE RA-3 REACTOR. HE PROMISED A REPLY IN 60 DAYS AND NOTED THAT IT WOULD BE VERY COSTLY TO HAVE TO CONVERT THE RA-3 TO ANOTHER ENRICHMENT LEVEL. DR. NYE PROMISED THAT THE ARGENTINE ANSWERS WOULD BE READ CAREFULLY AND THAT WE WOULD ACT REASONABLY.

5. TREATY OF TLATELOLCO. DR. NYE EXPRESSED THE HOPE THAT BOTH THE UNITED STATES AND ARGENTINA MIGHT BE ABLE TO ANNOUNCE TO THE SPECIAL SESSION ON DISARMAMENT IN MAY THAT TLATELOLCO HAS BEEN RATIFIED. CASTRO MADERO REPLIED THAT ARGENTINA FIRST NEEDED A COMMITMENT ON HEAVY WATER TECHNOLOGY RPT TECHNOLOGY. DR. NYE EXPLAINED THAT THIS WAS NOT IN ACCORDANCE WITH OUR UNDERSTANDING OF THE DISCUSSIONS IN BUENOS AIRES OR BETWEEN VIDELA AND PRESIDENT CARTER IN WASHINGTON. NYE THEN REVIEWED THE THREE STAGES THROUGH WHICH WE SAW OUR NUCLEAR COLLABORATION MOVING. STAGE ONE WAS DESIGNED TO CREATE GOODWILL THROUGH THE RATIFICATION OF TLATELOLCO BY ARGENTINA AND PROTOCOL I IN THE US.

UNDER STAGE TWO, HEAVY WATER BUT NOT RPT NOT HEAVY WATER TECHNOLOGY MIGHT BE PROVIDED IN A FRAMEWORK OF ENHANCED COOPERATION. A NEW AGREEMENT FOR COOPERATION WOULD BE REQUIRED FOR SOME TYPES OF EXPANDED COOPERATION, AND THIS WOULD INCLUDE FULL-SCOPE SAFEGUARDS. FINALLY, IN STAGE 3, HEAVY WATER TECHNOLOGY COULD BE ENVISIONED IF ARGENTINA DEFERRED REPROCESSING, SOMETHING WHICH WE REALIZED COULD ONLY TAKE PLACE IN THE CONTEXT OF REGIONAL EQUILIBRIUM. NYE ADDED THAT THE ARGENTINE COMMISSION'S LEGAL ADVISOR HAD TOLD US CONGRESSMEN THAT THE UNITED STATES WAS SUPPOSED TO SUPPLY HEAVY WATER TECHNOLOGY IN RETURN FOR RATIFICATION OF TLA TELLOCO. THIS CONTRADICTED WHAT THE US EXECUTIVE HAD TOLD THE

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CONGRESS. CASTRO REPLIED THAT MARTINEZ IS NOT AUTHORIZED TO SPEAK ON POLICY.

6. CASTRO MADERO'S "MISUNDERSTANDING." THE ADMIRAL SAID THAT PERHAPS HE MISUNDERSTOOD BUT HE HAD IMPRESSION THAT ARGENTINA COULD OBTAIN HEAVY WATER TECHNOLOGY IN RETURN FOR FULL-SCOPE SAFEGUARDS. THERE WAS NO REQUIREMENT FOR A DEFERRAL OF REPROCESSING, CASTRO STATED. A NO PEACEFUL NUCLEAR EXPLOSIVES PLEDGE WAS NOT A PROBLEM BECAUSE IT WAS SUBSUMED UNDER FULL-SCOPE SAFEGUARDS. CASTRO MADERO SPOKE OF A NON-PAPER THAT HAD NOT MENTIONED THE DEFERRAL OF REPROCESSING. DR. NYE REMINDED CASTRO THAT THE NON-PAPER DEALT WITH THE TREATY OF TLA TELLOCO AND ITS RELATIONSHIP TO FULL-SCOPE SAFEGUARDS. NYE REPEATED AGAIN THE THREE STAGES OF COOPERATION WHICH HAD BEEN DISCUSSED IN BUENOS AIRES.

7. CASTRO MADERO STATED FLATLY THAT ARGENTINA CANNOT DEFER REPROCESSING UNLESS THERE IS "A BALANCE" ON THIS SUBJECT IN THE SOUTHERN HEMISPHERE. DR. NYE COMMENTED THAT SUCH A BALANCE SHOULD NOT BE OUT OF THE QUESTION. CASTRO CONTINUED THAT FULL-SCOPE SAFEGUARDS ARE VERY DIFFICULT FOR ARGENTINA TO ACCEPT BUT THAT THE CANADIANS HAD BEEN TOLD THAT ACCEPTANCE MIGHT BE POSSIBLE. ALL OUR FACILITIES WILL BE ENCOMPASSED; WE WILL NOT BE FREE, CASTRO MADERO OBSERVED. IT IS VERY IMPORTANT FOR THE UNITED STATES TO HAVE ARGENTINA UNDER FULL-SCOPE SAFEGUARDS, CASTRO DECLARED. ARGENTINA CANNOT DO IT WITHOUT HEAVY WATER TECHNOLOGY, THE ADMIRAL FELT. DR. NYE EXPLAINED THE GREAT DIFFICULTIES FOR US, NOTING THAT A MAJOR CHANGE WOULD HAVE TO BE REPORTED TO THE CONGRESS IF THE EXECUTIVE WERE TO PROPOSE THE TRANSFER OF HEAVY WATER TECHNOLOGY. FULL-SCOPE SAFEGUARDS ARE ALREADY IN

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OUR LEGISLATION AND WOULD NOT BE VIEWED AS A SIGNIFICANT EXTRA STEP BY THE CONGRESS, NYE ADDED. CASTRO MADERO REMARKED THAT HE THEN COULD SEE NO WAY TO SOLVE THE PROBLEM.

8. IN SUBSEQUENT PRIVATE DISCUSSION WITH NYE, MADERO ASKED WHAT TYPE OF "GUARANTY" HE COULD GET THAT HEAVY WATER AND HEAVY WATER TECHNOLOGY WOULD BE PROVIDED IF OUR CONDITIONS WERE MET. NYE UNDERTOOK TO SEE WHETHER AN EXCHANGE OF NOTES THAT CLARIFIED SITUATION COULD BE DRAFTED AND ALSO SUGGESTED A LETTER CLARIFYING OUR PRE-CONDITIONS FOR THE PROVISION OF HEAVY WATER TECHNOLOGY. CASTRO MADERO ASKED VAN DOREN FOR MORE INFORMATION ON THE PROCEDURAL STEPS THAT WOULD BE NECESSARY FOR US TO PERMIT TRANSFER OF HEAVY WATER TECHNOLOGY, IF THE CONDITIONS WERE MET, THE RELATIONSHIP BETWEEN CANADIAN AND US COMPANIES INVOLVED, AND WHETHER CONSENT OF BOTH GOVERNMENTS WOULD BE REQUIRED. MR. VAN DOREN UNDERTOOK TO SEND HIM SUCH INFORMATION. VANCE

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